

DRAFT

CONSERVATION FINANCE FEASIBILITY STUDY :: JUNE 2011

---

# CITY OF WENATCHEE, WA



THE TRUST *for* PUBLIC LAND

---

CONSERVING LAND FOR PEOPLE



Copyright © June 2011 The Trust for Public Land. All rights reserved.

## TABLE OF CONTENTS

INTRODUCTION	4
EXECUTIVE SUMMARY	5
BACKGROUND	7
Parks and Open Space	7
Fiscal Status	7
Town Toyota Center	8
Governance	9
CITY FINANCING OPTIONS	10
Choosing a Funding Strategy	10
Property Taxes	11
Bonds	13
Utility Tax	15
Real Estate Excise Tax	15
SPECIAL PURPOSE DISTRICTS	17
Wenatchee Area Park Districts	17
Public Utility District	19
Irrigation Districts	20
Port District	20
Conservation Districts	21
ELECTION ANALYSIS	22
Election Results	23
APPENDIX A	24
Selected Examples of Local Referenda for Parks and Open Space	24

## INTRODUCTION

The Trust for Public Land (TPL) is a national nonprofit organization dedicated to conserving land for people to enjoy as parks, gardens, and natural areas. Since 1972, TPL has conserved more than 2.4 million acres of land nationwide. In Washington, TPL has helped protect more than 78,000 acres.

To help state agencies and local governments acquire land, TPL assists communities in identifying and securing public financing. TPL's Conservation Finance program offers technical assistance to elected officials, public agencies and community groups to design, pass and implement public funding measures that reflect popular priorities.

Overall, voter support of local conservation finance measures in Washington has been mixed. Roughly 48 percent of measures (18 of 37) on the ballot between 1998 and 2010 have been approved, though the record has improved in recent years with 80 percent of measures (8 of 10) passing since 2006. Success at the ballot is hampered somewhat in the state by the high approval threshold (60 percent of the vote) required for local bond measures. TPL and its affiliate The Conservation Campaign<sup>1</sup> have supported 16 local conservation finance measures in Washington, 11 of which were approved.

Given the substantial investment of time and resources required for a successful conservation finance initiative, preliminary research is essential to determine the feasibility of such an effort. There are a number of potential funding options that can be “knit together” to protect land and increase access to public land in the county. While state, federal, local, and private sources all have a role to play in achieving parks and conservation objectives, the most reliable form of funding over the long-term is local funding. State, federal, and private funding often serve as supplements or incentives to local funding due to the competitive funding environment.<sup>2</sup> The objective of this study is to research the most viable local public options for funding parks maintenance and operations and open space land conservation in the City of Wenatchee.

This brief report provides an examination of the options for generating and dedicating local revenue for conservation and parks including the revenue raising capacity and costs of those financing tools.<sup>3</sup> As most options require voter approval the report also contains a summary of the pathways to the ballot and recent election history in the city. This research provides a stand-alone, fact-based reference document that can be used to evaluate all available financing mechanisms from an objective vantage point.

Next steps should include narrowing funding options to those that match the needs identified through the city's planning processes and testing voter attitudes toward a specific set of funding proposals. TPL recommends conducting a public opinion survey that tests ballot language, tax tolerance, and program priorities of voters in Wenatchee.

---

<sup>1</sup> The Conservation Campaign (TCC) is a non-profit 501(c)(4) organization affiliated with TPL. TCC mobilizes public support for ballot measures and legislation that create public funds to protect land and water resources.

<sup>2</sup> A summary of relevant state and local conservation funding programs is included in the 2010 TPL greenprint report on the Wenatchee Foothills.

<sup>3</sup> The contents of the report are based on the best available information at the time of research and drafting (spring 2010), with much of the data compiled from Internet resources and direct communication with appropriate, local, state and federal agencies.

## EXECUTIVE SUMMARY

The Trust for Public Land has undertaken a feasibility analysis to explore the City of Wenatchee's funding options to protect the special natural beauty that is a significant element of its character. In order to understand what would be an appropriate funding source or sources, this report first briefly delves into the city's background, with a particular focus on the fiscal status of the city. The city's ability to support a potential new funding source for parks and conservation at this time is intertwined with decisions regarding other fiscal priorities, in particular the financing of the Town Toyota Center. Next, the report analyzes possible alternatives for funding a parks and recreation land acquisition and management program, including their legal authority and revenue raising capacity. Finally, since most revenue options require approval by voters, this report provides pertinent election information, such as voter turnout history and election results for local finance measures

In Washington, local governments have utilized several different public finance options to support parks and conservation. The primary revenue options include general obligation bonds and the property tax, with less frequently used mechanisms such as the real estate transfer tax, the utility tax and impact fees. This study focuses on several options that present opportunities for financing in the City of Wenatchee, which are as follows:

1. Property Tax. **The city may ask voters to increase the regular property tax via a levy lid lift**, which requires majority approval of voters in the city at a general or special election. A \$0.20 cent per \$1,000 increase in the city's tax rate would raise \$466,000 annually, or \$2.3 million over five years; the typical homeowner would pay roughly \$40 annually.
2. Special District. **The city could seek to create a new special district for parks and recreation, such as a Metropolitan Parks District (MPD)**. The district boundaries might be drawn to follow the city boundaries or those of the Wenatchee School District (a slightly larger jurisdiction). The new district may be proposed by resolution or citizen petition and requires majority approval of voters in the district at a general or special election. MPD's are authorized to levy property taxes and issue general obligation bonds. Estimates for revenue capacity and per household cost for levies and bonds in a district coterminous with the city boundaries would be the same as those included in the paragraph above. The school district boundaries encompass a larger tax base, in this case a \$0.20 cent per \$1,000 tax would raise \$740,000 annually, or \$3.7 million over five years.
3. Bonding. **Wenatchee potentially could issue bonds for parks and open space. However, the city's debt load and credit rating may be significantly affected by the final decisions made with regard to financing of the Toyota Town Center**. The council has sought a judge's ruling on whether an ongoing loan to pay for millions in new bonds for the center would legally be considered "debt" or not. The city's legal limit for debt not approved by voters is \$22 million, just over half of the total needed for the new bonds. If the ongoing loan is judged as debt, then the city may need to go to voters for approval to pay the debt service. As such it seems unlikely that the city would consider issuance of non-voted debt for parks and open space. Assuming the city will have capacity for voted debt (unlimited), a \$5 million bond would add approximately \$400,000



to the city's annual debt service and would cost the typical homeowner an average of \$34 per year over the life of the bond (20 years). For unlimited tax general obligation bonds, 60 percent of the electorate must approve issuance of general obligation bonds, which must be validated by a voter turnout of at least 40 percent of those who voted in the last general election. Also, bond proceeds are limited to capital projects and may not be used for operations and maintenance purposes.

4. Utility Taxes: **The city could increase the utility tax.** The City of Wenatchee imposes the tax at 6 percent (maximum rate without a vote) which generates approximately \$5.5 million per year. Utility taxes are the third largest revenue source for the city generating 26 percent of general budget. Imposing an additional (across the board) increase of 1 percent would generate roughly \$900,000 a year.
5. Impact Fees. **As a supplement to other funding options, impact fees may be levied** by the city in connection with the approval of development projects to defray all or part of the cost of public facilities related to the development project via an ordinance or resolution of the City Council. Wenatchee recently imposed its first development impact fee in February 2011. The fee, set at \$4,830 per single family residence, applies only to new development in the Broadview area and will support public facilities and road access improvements in that part of the city.
6. Real Estate Excise Tax. Wenatchee is currently levying the maximum real estate excise tax of 0.50 percent and has no additional capacity. Unlike counties, which can levy a real estate excise tax for conservation, cities are not permitted such authority.

**Next steps should include narrowing funding options to those that match the needs identified in the city's planning processes and testing voter attitudes toward a specific set of funding proposals.** TPL recommends conducting a public opinion survey that tests ballot language, tax tolerance, and program priorities of voters in Wenatchee.

## BACKGROUND

### Parks and Open Space

There are over 78 acres of parks in Wenatchee that are currently maintained by the City's Parks Division of the Public Works Department. These areas consist of passive open space, neighborhood parks, downtown beautification program and active athletic field sites. Additional parks and open space resources in the city and areas nearby are provided by the Washington Department of Natural Resources (DNR), the Chelan Public Utility District, and the Chelan Douglas Land Trust (CDLT).

The Wenatchee Parks and Recreation Advisory Board is a seven member citizen advisory committee appointed by the City Council. The primary functions of the Board are to advise and make recommendations to the Mayor and City Council concerning parks and open space planning, including city park and facility acquisition, development and operations both within and without the city's boundaries.

Parks and open space lands are important resources for the City of Wenatchee and surrounding communities which have taken care to plan thoughtfully for the future. Wenatchee has a comprehensive Parks, Recreation, and Open Space Plan and a specific plan for the Foothills area called the Wenatchee Foothills Community Strategy. The Foothills strategy and vision, completed in 2010, was lead by the Trust for Public Land. Both of these plans recommend the acquisition of land for a system with neighborhood parks, development of recreation facilities and expanding a linking trail system as the Wenatchee community grows.

In May 2011, the City Council approved a motion to pursue developing relationships through interlocal agreements, annexations or other means for the provision of Parks and Recreation Services on a regional basis and for representatives from the City to attend meetings to present the concept.

However, recent budget developments for the city may alter parks planning. Significant budget pressure is expected for the Parks Department among many others due in large part to the financing of the Town Toyota Center as described in the following sections. Under at least one of the potential financing scenarios, the pool would be closed and funding for recreation cut from the city budget. Budget needs for the parks department are outlined as follows: Recreation and Administration, \$392,000; Pool, \$174,000 and Park Maintenance, \$840,000 totaling \$1,406,000. In addition, there are several capital projects identified. Mayor Johnson has suggested that parks maintenance costs could potentially be kept in the public works budget. In that case, Parks Director David Erickson has suggested that **the parks department will need funding of \$774,000 to support the pool, recreation and administration, and some capital improvements.**

### Fiscal Status

As the focus of this report is the feasibility of dedicating additional public funds for parks and open space it is important to consider the fiscal status of the city and potential future demand for public funding for other priorities.

The City of Wenatchee's 2011 budget totals \$59,475,000 including \$15,983,000 of capital and \$43,492,000 of operating expenses. Included in operations are street maintenance activities of \$1,893,000; water, sewer and storm drain system costs of \$9,333,193; and ongoing general fund costs of \$22,025,000. Capital outlay requests include \$1,460,000 for the Foothills Trail Fund and \$22,500 for recreation facilities.<sup>4</sup> The general fund revenues and expenditures are detailed in the tables below.

City of Wenatchee General Fund Revenues - FY 2011		
Source	%	Dollars
Property tax	20.7	\$4,446,160
Sales tax	30.7	\$6,575,200
Utility taxes	25.6	\$5,481,000
1/10% Criminal Justice Sales Tax	2.5	\$537,000
Hotel/Motel Tax	0.2	\$48,000
Other Taxes	0.1	\$32,000
Licenses & Permits	3.1	\$665,300
Intergovernmental	3.3	\$700,400
Charges for Services	8.5	\$1,832,200
Fines & Forfeits	4.6	\$996,800
Interest	0.1	\$15,000
Rents/Leases	0.2	\$38,500
Miscellaneous	0.4	\$90,222
<b>Total</b>	<b>100</b>	<b>\$21,448,782</b>

Source: City of Wenatchee 2011 Annual Report

City of Wenatchee General Fund Expenditures - FY 2011		
Purpose	%	Dollars
Public Safety - Police	45.5	\$10,017,307
Public Safety - Fire	17.9	\$3,951,030
Mayor/Council	2.3	\$513,325
Finance	4.9	\$1,088,998
Human Resources	0.5	\$118,225
City Attorney	0.4	\$93,200
Code Enforcement	2.5	\$554,881
Planning	1.8	\$385,942
Engineering	3.1	\$565,237
Recreation/Swimming Pool	2.6	\$787,697
Museum	3.6	\$512,350
GWREC PFD CLA	2.3	\$1,591,682
Other Administrative	7.2	\$161,624
<b>Total</b>	<b>100</b>	<b>\$22,024,970</b>

Source: City of Wenatchee 2011 Annual Report

In April 2011, the city finance director announced that the city's revenue forecast was brightening. The big revenue generators – property tax, sales tax, and real estate excise tax – all posted gains over the previous year. However, Wenatchee's budget going forward will be most affected by refinancing of the Town Toyota Center. The city is currently paying \$1.6 million a year toward the arena's interest-only debt payments, but that is expected to jump to \$2.7 million next year – hampering the city's ability to provide some basic services. Mayor Johnson said the city council needs to give serious thought to whether they will make cuts to balance the budget, or if they want to consider tax increases. The council must decide by early August if they want to ask voters to approve any tax increases at the November election.<sup>5</sup>

## Town Toyota Center

In 2006, the Greater Wenatchee Regional Event Center Public Facilities District (PFD) was created by an interlocal agreement among nine municipalities in Douglas and Chelan counties including Wenatchee. The PFD acquired an events center (the Town Toyota Center) which includes a 4,300-seat multi-purpose spectator facility, ice arena, banquet and meeting facilities and parking. The center was completed in 2008 at a cost of \$53 million and financed by a combination of short-term tax bond anticipation notes. In an interlocal agreement between Wenatchee and the PFD from 2006, the city agreed to pay the principal and interest on the debt not covered by PFD revenues (called the contingent loan agreement). The short term notes come due on December 1, 2011 and the city and the PFD are currently searching for a financing solution for the remaining \$42 million debt.

<sup>4</sup> Excerpted from the City of Wenatchee 2011 Annual Report at p.2 and the City of Wenatchee 2011 Budget at p. 25.

<sup>5</sup> City revenues looking good, so far. *The Wenatchee World*, April 22, 2011 and City gets sobering look at future budget. *The Wenatchee World*, June 3, 2011



The center generates revenues by hosting various events and hockey matches. However, center income has fallen far short of projections and is currently just covering operating expenses. In addition the State of Washington rebates to the PFD a 0.33 percent of one cent of all sales tax revenue in the district, which typically brings in about \$600,000 annually, leaving the city to pay roughly \$1.6 million a year to cover bond payments.

In April 2010, the Wenatchee City Council voted to support the 2006 contingent loan agreement with the intent of preventing default by the PFD which could cause financial difficulties throughout the area and the state. The council also decided to seek a judge's ruling on whether an ongoing loan to pay for millions in new bonds would legally be considered "debt" or not. The city's legal limit for debt not approved by voters is \$22 million, just over half of the total needed for the new bonds. If the ongoing loan is judged as debt, then the city may need to go to voters for approval to pay the debt service.

In order to support the construction debt service of the center, the PFD could levy a sales tax of up to 0.02 percent within the district. All nine members of the district must agree to the tax and majority voter approval is required. Most news reports on this subject indicate that many of the PFD leaders have said they are unwilling to put the tax on the ballot. A phone survey conducted in January 2011 found the public nearly evenly divided on the issue. Half of the 400 Chelan and Douglas County residents polled said they would not support a sales tax of 0.01 percent (one-tenth of one percent), while 45 percent said they were in favor of it.<sup>6</sup>

A 0.01 percent PFD sales tax would generate roughly \$1.8 million annually and would cost the average resident an additional \$17 in sales tax per year.<sup>7</sup>

## Governance

The City of Wenatchee is governed by a City Council, comprising seven council members who are elected to serve staggered terms. The Mayor is elected at large for a term of four years. The elected officials and the dates their respective terms of office expire are listed below. The mayor's seat and four council positions will be on the November 2011 ballot.

Wenatchee City Council			
Name	Seat	Term	Expires
Dennis Johnson	Mayor	Third	2011
Jim Bailey	Position 1	Second	2013
Tony Veeder	Position 2	First	2013
Karen Rutherford	Position 3	First	2011
Doug Miller	Position 4	Second	2013
Mark Kulaas	Position 5	Second	2011
Don Gurnard	Position 6	Third	2011
Carolyn Case	Position 7	Second	2011

<sup>6</sup> Arena survey shows split on sales tax. *The Wenatchee World*, January 12, 2011

<sup>7</sup> Ibid, and So what's the plan for the arena? *Wenatchee Business Journal*, April 25, 2011.

# CITY FINANCING OPTIONS

## Choosing a Funding Strategy

Generally, there are three primary types of revenue sources available to local governments to pay for parks and land conservation: discretionary annual spending, creation of dedicated funding streams, and debt financing. The financing options utilized by a community will depend on a variety of factors such as taxing capacity, budgetary resources, voter preferences, and political will.

Significant, dedicated funding generally comes from broad-based taxes and/or the issuance of bonded indebtedness, which often require the approval of voters. In TPL's experience, local governments that create funding via the legislative process provide substantially less funding than those that create funding through ballot measures. As elected officials go through the process of making critical budgetary decisions, funding for land conservation often lags behind other public purposes, and frequently less than what voters would support. It is understandably often difficult to raise taxes without an indisputable public mandate for the intended purpose.

The power of conservation finance ballot measures is they provide a tangible means to implement a local government's vision. With their own funding, local governments are better positioned to secure scarce funding from state or federal governments or private philanthropic partners. Having a predictable funding source empowers the city or county to establish long-term conservation priorities that protect the most valuable resources, are geographically distributed, and otherwise meet important community goals and values.

Nationwide, a range of public financing options has been utilized by local jurisdictions to fund parks and open space, including general obligation bonds, the local sales tax, and the property tax. Less frequently used mechanisms have included special assessment districts, real estate transfer taxes, impact fees, and income taxes. The ability of local governments to establish dedicated funding sources depends upon state enabling authority. In Washington, local government funding options for land conservation have primarily taken the form of budget appropriations, property taxes, general obligation bonds backed by property taxes, sales tax, and less frequently, impact fees and the real estate transfer tax. Many communities also have had success in leveraging local sources with funds from Washington's state conservation programs and some federal programs.

Overall, voter support of local conservation measures in Washington has been mixed. Roughly 49 percent of measures (18 of 37) on the ballot between 1998 and 2010 were approved, though the record has improved in recent years with 80 percent of measures (8 of 10) passing since 2006. Success at the ballot is hampered somewhat in the state by the high approval threshold (60 percent of the vote) required for local bond measures. TPL and its affiliate The Conservation Campaign<sup>8</sup> have supported 16 local finance measures in Washington, 11 of which were approved.

Finally, conservation finance measures are not right for every local government or they might not be the right approach at the moment. Budget appropriations and other revenue sources that can be implemented through the legislative process may well serve as short-term funding options while conservation proponents develop a strategy and cultivate broad support for longer-term finance options. Some of the specific finance options available in Wenatchee are described below.

---

<sup>8</sup> The Conservation Campaign (TCC) is a non-profit 501(c)(4) organization affiliated with TPL. TCC mobilizes public support for ballot measures and legislation that create public funds to protect land and water resources.

## Property Taxes

The property tax is one of the largest tax revenue sources for many local jurisdictions, including Wenatchee. Proceeds may be expended for parks and open space.<sup>9</sup> The property tax accounts for about 30 percent of total state and local taxes. The state property tax primarily supports “common” or K-12 public schools.<sup>10</sup> In Wenatchee, property taxes support general activities and functions like the mayor and city council’s offices, and the police, finance, culture and recreation, and building and planning departments.

The taxable value of a property is 100 percent of its fair market value, less any exemptions that may be permitted.<sup>11</sup> All property is subject to reevaluation each year based on estimated market value. The individual taxing districts determine the amount of money needed and the county assessor calculates the tax rate necessary to raise that money.

The amount of property tax due on an individual property is based on the combination of tax rates and the state constitution, statutory levy limits set by the legislature and excess levies approved by the voters, and the assessed value of the property. However, there are several restrictions that affect how much property taxes may be increased—the constitutional limit, the aggregate levy limit, and the 101 percent revenue limit.

### Regular Property Taxes

Maximum Rate: Section 84.52.043 of the state statutes establishes maximum levy rates for the various types of taxing districts (the state, counties, cities and towns, fire districts, and the like). A city may levy up to \$3.60 per \$1,000 of assessed value (AV). For cities that belong to a fire district and/or a library district, the rules are a little more complicated. Nominally they have a maximum rate of \$3.60 per thousand dollars AV. But, they can never collect that much because the levy of the special districts must be subtracted from that amount. The library district levy has a maximum rate of \$.50 per thousand dollars AV and the fire district levy can be as high as \$1.50.<sup>12</sup>

Regular property taxes are also subject to three other legal limitations, as follows:

1. Constitutional Limitation: Pursuant to Article 7, Section 2 of the Washington Constitution and Section 84.52.050 of the state statutes, the total regular property tax levy may not exceed \$10 per \$1,000 of the assessed value of property. Should this limitation be exceeded, levies requested by junior taxing districts are proportionally reduced or eliminated according to a prioritized list contained in Section 84.52.010. Taxing entities in Washington rarely approach this constitutional limit.<sup>13</sup>
2. Aggregate Levy Limit: Within the \$10 per \$1,000 limitation, the aggregate levies of junior taxing districts and senior taxing districts<sup>14</sup> may not exceed \$5.90 per \$1,000 of assessed

---

<sup>9</sup> “Property Tax,” Washington Dep’t of Revenue, at <http://dor.wa.gov/content/taxes/property/default.aspx>.

<sup>10</sup> §84.52.043.

<sup>11</sup> Properties voluntarily enrolled in the Current Use Property Tax Assessment program are not assessed at fair market value. Instead, the program enables property owners to be taxed based on current use rather than market value for the following property categories: Open Space, Agriculture, Timber or Designated Forest Land.

<sup>12</sup> The state levy for support of schools is not subject to the \$5.90 limit, although it is subject to the constitutional 101 percent limit.

<sup>13</sup> Tax Reference Manual, “Property Taxes,” Washington Dep’t of Revenue, at 134-35 (2002), at [http://dor.wa.gov/docs/reports/2002/Tax\\_Reference\\_2002/Property.pdf](http://dor.wa.gov/docs/reports/2002/Tax_Reference_2002/Property.pdf).

<sup>14</sup> Senior taxing districts are comprised of the state, counties, road districts, cities and towns, port districts, and public utility districts.

value (this limitation excludes the Conservation Futures levy).<sup>15</sup> Should this limitation be exceeded, levies requested by junior taxing districts are proportionally reduced or eliminated according to a prioritized list contained in Section 84.52.010.

3. **Revenue Limit (101 percent limit):** Each year regular property taxes are limited to the lesser of 101 percent of the highest levy in the three previous years, plus an additional amount to allow for new construction within the taxing district or inflation.<sup>16</sup> The limit may not be exceeded without majority voter approval through a levy lid lift.<sup>17</sup>

**Levy Lid Lift:** To increase city regular property taxes beyond the restrictions of the constitutional limit and the 101 percent revenue limit, cities may utilize a levy lid lift, which requires majority approval of the electorate. This requires that the city's current expense property tax levy fall below the statutory maximum, which is \$3.10 per \$1,000 of assessed valuation in Wenatchee.<sup>18</sup> Wenatchee's current regular levy of \$2.35 is well below the statutory limit.<sup>19</sup> Any lift may not exceed the maximum \$3.10 amount, meaning that Wenatchee potentially has capacity for a lift of up to \$0.75 per \$1,000 of assessed valuation.<sup>20</sup>

The ballot for the lift proposition must state the dollar rate proposed (the levy rate is determined by the assessed value of the city) and must clearly state any conditions that are applicable.<sup>21</sup> The proposition may limit the period of time for which the increased levy is applicable, but a time limit is not necessary unless the proceeds are used for redemption payments on bonds, in which case it may not be for more than nine years. The proposition may also specify the use of the funds.

Several local governments in Washington State have utilized the levy lid lift for park, open space, and recreational facility purposes, including Bellevue, Duvall, Enumclaw, Sammamish, and Seattle.

## Using the Property Tax for Parks and Open Space

**With a tax rate of \$2.35, the city has \$.75 in additional capacity under the \$3.60 limit (\$3.10 in Wenatchee).** Without considering aggregate property tax limitations, the accompanying chart provides a summary of the revenue raising potential using the property tax. Consultation with the city's attorney and finance staff will be required to determine if junior taxing districts might be affected. **A 0.20 increase in the city's tax rate would raise \$466,000 annually, or \$2.3 million over five years; the typical homeowner would pay roughly \$40 annually.**

Estimated Revenue & Costs of Property Tax Increase City of Wenatchee				
Tax Rate Increase		Assessed Valuation	Annual Revenue	Cost / Avg. House
0.10	\$	2,332,323,230	\$233,232	\$20
0.15	\$	2,332,323,230	\$349,848	\$30
0.20	\$	2,332,323,230	\$466,465	\$40
0.25	\$	2,332,323,230	\$583,081	\$50
0.35	\$	2,332,323,230	\$816,313	\$70
Sources: Total city assessed value, Chelan County levy book 2011; median home price \$199,000, Wenatchee World, Apr. 20, 2011.				

<sup>15</sup> §84.52.043.

<sup>16</sup> §§84.55.005 to .125.

<sup>17</sup> §84.55.050. The ballot for the levy lid lift must specify the dollar rate proposed, any applicable conditions, and use of the funds.

<sup>18</sup> Wenatchee is included in a Library District, so the maximum levy is \$3.60 less \$0.50 for the library. Chelan County Assessor 5-24-11.

<sup>19</sup> Chelan County Assessor.

<sup>20</sup> The County Assessor would need to determine if there is capacity to increase taxes in Wenatchee within the aggregate \$5.90 limit.

<sup>21</sup> §84.52.054; §84.55.050.

## Bonds

To raise funds for capital improvements, such as land acquisition or building construction, counties, cities and towns in Washington may issue bonds.<sup>22</sup> There are two main types of bonds: general obligation (“GO”) bonds, which are guaranteed by the local taxing authority, and revenue bonds that are paid by project-generated revenue or a dedicated revenue stream such as a particular tax or fee. Generally, bond proceeds are limited to capital projects and may not be used for operations and maintenance purposes.<sup>23</sup>

### General Obligation Bonds

Washington has two types of general obligation bonds—limited tax general obligation bonds (LTGO bonds) and unlimited tax general obligation bonds—with the difference being that **limited tax general obligation bonds may be issued by the local government’s governing body while unlimited tax general obligation bonds must be approved by 60 percent of the electorate.**

State law limits general obligation (G.O.) bonded debt for general purposes to 2.5 percent of assessed value of taxable property.<sup>24</sup> This limit applies to voted (unlimited) and non-voted debt (limited). Of this limit, the City Council may, by resolution, authorize the issuance of limited tax general obligation bonds in an amount up to 1.5 percent of assessed value of taxable property without the vote of the people. Limited tax general obligation bonds, also called councilmanic bonds, are payable from general government revenues, which reduces the amount available for other current operating expenditures and limits the financial flexibility of the city. Hence, limited tax general obligation bonds are usually used only for the most pressing capital needs. Finally, cities also have authority to issue additional debt, up to 2.5 percent of assessed value for utility purposes and for open space, parks and capital facilities with a public vote.

At the end of 2009, Wenatchee had bond and state revolving loan related long-term debt of \$34 million. Of this amount, \$16.4 million comprises general obligation bonds. Therefore, **the city has approximately \$20 million in available non-voted debt capacity and \$18.7 million with a public vote for general purposes.** The city holds bond ratings of Aa3 and A from Moody’s and Standard & Poor’s rating agencies for unlimited debt. These ratings indicate strong credit and low risk.<sup>25</sup> **However, the city’s debt load and credit rating could be significantly affected by the final decisions made with regard to financing of the Toyota Town Center** as discussed earlier on page 8.

### Issuing GO Bonds for Parks and Open Space

It seems unlikely that the city would consider issuance of non-voted debt at this time. Therefore, this analysis will focus on voted or limited debt for the acquisition of parks, open space, natural areas and recreational lands. The chart on the following page illustrates the estimated annual debt service, required property tax rate per \$1,000 of assessed valuation, and annual household cost of various general obligation bond issue amounts for parks and open space purposes.

---

<sup>22</sup> E.g., §36.89.040.

<sup>23</sup> Federal IRS rules governing the issuance of tax-exempt bonds limit the use of proceeds to capital purposes such that only a small fraction of bond funds may be used for maintenance or operations of facilities. State and local laws may further limit the use of bond proceeds.

<sup>24</sup> RCW 39.36.020

<sup>25</sup> City of Wenatchee 2010 Comprehensive Annual Financial Report, pp. 67-69.

For example, a \$5 million bond would add approximately \$400,000 to the city's annual debt service and would cost the typical homeowner an average of \$34 per year over the life of the bond (20 years). The city currently has a bond levy of \$0.1873 per \$1,000 in place from a ballot measure approved by voters in 2001 for the construction of a police station.

<b>Bond Financing Costs for City of Wenatchee</b>			
<b>20-year Bond Issues at 5.0% Interest Rate</b>			
<b>Assessed Value = \$2.3 billion</b>			
<b>Bond Issue Size</b>	<b>Annual Debt Svce</b>	<b>Tax Rate Increase</b>	<b>Cost/ Year/ \$199K House</b>
\$1,000,000	\$80,243	0.03	\$7
\$3,000,000	\$240,728	0.10	\$21
\$5,000,000	\$401,213	0.17	\$34
\$10,000,000	\$802,426	0.34	\$68
<i>Sources: Total county assessed value, Chelan County Levy Book 2008; median home price \$199,000, Wenatchee World, Apr. 20, 2011</i>			

TPL's bond cost calculations provide an estimate of debt service, tax increase, and cost to the average homeowner in the community of potential bond issuances for parks and land conservation. Assumptions include the following: the entire debt amount is issued in the first year and payments are equal until maturity; 20-year maturity; and 5 percent interest rate. Property tax estimates assume that the city would raise property taxes to pay the debt service on bonds, however other revenue streams may be used. The cost per household represents the average annual impact of increased property taxes levied to pay the debt service. The estimates do not take into account growth in the tax base due to new construction and annexation over the life of the bonds. The jurisdiction's officials, financial advisors, bond counsel and underwriters would establish the actual terms of any bond.

## Process for Implementation

The City Council may place a ballot proposition authorizing indebtedness before the voters at any special election<sup>26</sup> or general election.<sup>27</sup> The ballot proposition must include the maximum amount of the indebtedness to be authorized, the maximum term any bonds may have, and a description of the purpose(s) of the bond issue. Notice of the proposed election shall also be published, as required by state statute.<sup>28</sup>

**All voted bonds require a 60 percent majority approval of the electorate.**<sup>29</sup> To validate the election, the total votes cast must equal at least 40 percent of the total votes cast in the last general election.

---

<sup>26</sup> §39.36.050.

<sup>27</sup> A special election may be held in conjunction with a general election or primary election. §29A.04.175.

<sup>28</sup> §39.36.050

<sup>29</sup> Wash. Const., Art. VIII, §6.



## Utility Tax

A utility tax is a tax levied on the gross operating revenues of a utility within the boundaries of a city as well as the city's own utilities. Cities may levy the tax at a rate of 6 percent on electric, natural gas, steam energy, and telephone, unless a higher rate is voter approved. There is no limit on other utilities.<sup>30</sup>

According to a survey by the Washington Association of Cities, 213 cities report imposing a utility tax. Eight cities impose a voter-approved utility tax above the statutory limit of six percent on electric, natural gas, and/or telephone.<sup>31</sup> In September 2004, voters in Olympia approved a 3 percent increase in the city's utility tax to support parks, trails, open space, and sidewalks. Revenue from the increase is estimated at roughly \$2.2 million per year.<sup>32</sup>

In February 2007 the City of Port Townsend asked voters to approve a proposition to increase the city's utility tax from 6 percent to 10 percent to fund public safety, parks, streets, and library projects. The measure did not receive the support of a majority of voters (45 percent approval).

### The Utility Tax in Wenatchee

The City of Wenatchee imposes the tax at 6 percent which generates approximately \$5.5 million per year. Utility taxes are the third largest revenue source for the city generating 26 percent of general budget. **Imposing an additional (across the board) increase of 1 percent would generate roughly \$900,000 a year.** Additional research could be conducted to estimate the annual household impact of a utility tax increase to ratepayers.

## Real Estate Excise Tax

Washington State, its counties, and its cities may impose a real estate excise tax ("REET") when real property is conveyed within their jurisdictions. The state imposes a REET of 1.28 percent that funds K-12 education and public works assistance.<sup>33</sup> Cities may impose two REETs to fund capital projects, but unlike counties, they do not have the ability to levy a REET for conservation or affordable housing.

### Basic REET

Counties and cities may impose a basic REET rate of 0.25 percent of the selling price,<sup>34</sup> as well as an additional 0.25 percent tax upon adoption of an ordinance after approval by a majority of voters.<sup>35</sup> Counties may only impose these two increments of the REET in their unincorporated areas.

The funds generated by the first 0.25 percent REET may be used only for construction of capital projects as identified in the capital facilities plan element of the comprehensive plan and includes acquisition of parks, recreational facilities, and trails.<sup>36</sup> Most cities (267 of 281) in Washington levy

---

<sup>30</sup> §35.21.870(1).

<sup>31</sup> Association of Washington Cities, <http://www.awcnet.org/Portals/0/Documents/Research/TUFS08web.pdf>

<sup>32</sup> Source: TPL LandVote database, [www.landvote.org](http://www.landvote.org).

<sup>33</sup> §82.45.060.

<sup>34</sup> §82.46.010.

<sup>35</sup> §82.46.035(2).

<sup>36</sup> §82.46.010(6). The revenue may also be utilized for housing relocation assistance.

this first REET increment.<sup>37</sup> The revenue from the additional 0.25 percent REET may be expended for a list of more narrowly defined capital projects that do not include the acquisition of parks, recreation facilities and trails (but does include “planning, construction, reconstruction, repair, rehabilitation, or improvement of parks”).<sup>38</sup> At present, 127 cities levy this additional REET.

### The REET in Wenatchee

**Wenatchee currently levies the maximum 0.5 percent REET and therefore does not have capacity to increase this tax.** The existing REET in Wenatchee currently generates roughly \$720,000 a year. Revenues are used primarily for street projects.

### Supplemental Funds

Additional local revenue sources could be sought to supplement a county or city open space program, such as impact fees associated with development projects and recreation user fees. Impact fees, or monetary exactions other than a tax or special assessment, are levied by counties, cities and towns in connection with the approval of a development project to defray all or part of the cost of public facilities related to the development project. Public facilities include publicly owned parks, open space and recreational facilities; public streets and roads; school facilities; and fire protection facilities.<sup>39</sup>

In general, impact fees may not exceed the estimated reasonable cost of providing the service or facility and shall not be levied to make up for deficiencies in public facilities serving existing developments. Impact fees also may not be used for maintenance and operation. The local ordinance by which impact fees are levied must include a schedule of impact fees, which shall be adopted for each type of development activity based on a formula, or other such calculation that considers the cost, availability of other funding, amongst other items.<sup>40</sup> Proceeds from impact fees must be earmarked specifically and retained in special interest-bearing accounts, and must be expended or encumbered within 6 years of receipt.<sup>41</sup> Six counties and 72 cities in Washington impose impact fees according to the Municipal Research and Services Center.<sup>42</sup> The average total impact fee in Washington is \$6,588 while the average parks impact fee in the state is \$2,056.<sup>43</sup>

**Wenatchee recently imposed its first development impact fee in February 2011. The fee, set at \$4,830 per single family residence, applies only to new development in the Broadview area and will support public facilities and road access improvements in that part of the city.**

Drawbacks to impact fees include potential opposition from developers and affordable housing advocates, as the fees are generally passed on to buyers in the form of higher prices. Also, fees are often used in very specific locations, although they have in some instances been utilized to provide city and countywide services. **The City of Wenatchee could consider an additional impact fee on development throughout the city for parks.** Further research would be needed to determine how much revenue might be produced from this source.

---

<sup>37</sup> Tax Reference Manual 2005.

<sup>38</sup> §82.46.035(5).

<sup>39</sup> §82.02.090(7).

<sup>40</sup> §82.02.060.

<sup>41</sup> §82.02.070.

<sup>42</sup> *Wenatchee World*, City officials consider impact fee, January 10, 2011.

<sup>43</sup> 2009 National Impact Fee Survey, Duncan and Associates.

Other smaller local revenue sources exist to support a county parks and conservation program, such as donations, bequests, and philanthropic support, but have not been examined in this report. Within Washington, even the most successful land trusts and conservation organizations have very limited financial resources in comparison to formal, funded local government programs.

## SPECIAL PURPOSE DISTRICTS

In Washington, special purpose districts are limited purpose local governments separate from a city, town, or county government. Generally they perform a single function, though some perform a limited number of functions. They provide an array of services and facilities including electricity, fire protection, flood control, health, housing, irrigation, parks and recreation, library, water-sewer service and more recently stadiums, convention centers, and entertainment facilities that are not otherwise available from city or county governments. Over the years, the Washington legislature has enabled more than 80 different special purpose districts.

Special purpose districts are generally created through the county legislative authority to meet a specific need of the local community. The need may be a new service or a higher level of an existing service. The districts are usually quasi-municipal corporations though some are statutorily defined as municipal corporations. Most special purpose districts in Washington derive revenues from real property taxes and are called taxing districts.

Benefit assessment districts are formed to provide a specific service or benefit to lands contained within its boundaries. These districts charge assessments based on the *benefit* to property rather than value of the property. Districts that can levy a benefit assessment include diking and drainage districts, conservation districts, horticultural districts, irrigation districts, mosquito districts, river and harbor improvement districts, and weed districts.

While there are some 80 different special purpose districts, the legislature has narrowly defined the purposes of these districts and their revenue authority. It does not appear that authorization exists for creation of a special district that is specifically permitted to acquire land strictly for open space purposes (e.g. farmland easements).

There are three types of districts that may offer potential as a vehicle for developing parks and conserving land in Wenatchee – they are a Parks and Recreation Service Area, Parks and Recreation District, and Metropolitan Park District. The districts vary slightly in terms of governance, procedures for creation and including incorporated areas, and financing authority. The Municipal Research and Services Center of Washington (MRSC) has published a helpful comparison of recreation districts.<sup>44</sup> Purposes must be related to parks and recreation.

## Wenatchee Area Park Districts

According to the MRSC, there are several park and recreation districts in the Wenatchee area. The Eastmont Metropolitan Parks and Recreation District (EMPD) in Douglas County manages 44 acres of parks and seven miles of scenic Columbia River waterfront asphalt trail (The Apple Capital Loop Trail) in East Wenatchee, WA. The EMPD budget is roughly \$780,000, most of

---

<sup>44</sup> <http://www.mrsc.org/subjects/governance/spd/spdchart0110.pdf>

which (\$680,000) comes from property taxes. The EMPD has a voter set levy rate of \$0.35 per \$1,000 of assessed value that was established as part of the EMPD formation. Increases in the property tax levy can only be approved by a majority vote of the constituents. It is possible that areas in Wenatchee or just outside the city could be annexed to this district.

The Manson Park and Recreation District operates a number of parks in the central-western portion of Chelan County. Located in the unincorporated community of Manson and including the city of Chelan, the Manson Park and Recreation District manages five parks—the Manson Bay Park (2 acres), Old Mill Park (23 acres), Singleton Park (10 acres), Willow Point Park (2 acres), and Wapato Lake Campground.

The Upper Valley Park and Recreation Service Area is located within the borders of Chelan County and was created in 1997 to enhance and broaden the range of park and recreation facilities available to Upper Valley residents, including development of a family aquatic center and a financing and maintenance plan. It finances itself through a property tax levy of \$0.09350 per \$1,000 of assessed valuation (\$54,111 in revenue for 2006).

### Creating a metropolitan parks district

Cities and/or counties in Washington may create a metropolitan park district for the “management, control, improvement, maintenance, and acquisition of parks, parkways, boulevards, and recreational facilities.”<sup>45</sup> A metropolitan park district “may include territory located in portions or all of one or more cities or counties, or one or more cities and counties.”<sup>46</sup> Despite the authority to create a joint county metropolitan park district, historically such districts have been formed only on a citywide or joint city bases in the state.

To finance its activities, a metropolitan park district may levy property taxes or issue bonds. The board of park commissioners may levy a general property tax not to exceed 75 cents per \$1,000 of assessed valuation in the district.<sup>47</sup> The board may levy a property tax in excess of the 75 cents per \$1,000 assessed valuation when 60 percent of voters within the metropolitan park district approve it at a special election. A metropolitan park district may issue non-voted debt for park, boulevard aviation landings, playgrounds, and parkway purposes, not to exceed 0.25 percent of the value of taxable property in the district.<sup>48</sup> Indebtedness that includes voter and nonvoter-approved debt may be issued in an amount equal to 2.5 percent of the value of taxable property with the approval of 60 percent of voters in the district at a general or special election.<sup>49</sup>

The formation of a metropolitan park district must be approved by a majority of voters at any general or special election.<sup>50</sup> The ballot proposition for such formation may be initiated by either

- Adoption of resolutions submitting the proposition to create the district by the governing body of each city and county in which all or a portion of the proposed district is located

---

<sup>45</sup> §35.61.010.

<sup>46</sup> *Id.* (Emphasis added).

<sup>47</sup> §35.61.210.

<sup>48</sup> §35.61.100. General obligation bonds shall not be issued with a maximum term in excess of 20 years.

<sup>49</sup> §35.61.110.

<sup>50</sup> §§35.61.020 to .040.

(for counties, each county where all or portions of the proposed district is located within the unincorporated areas), or

- A petition proposing creation of the district signed by at least 15 percent of registered voters in the proposed district.

Should a majority of voters approve formation of the metropolitan park district that encompasses more than one city or county, or any combination thereof, the legislative body of each city and county may be designated to serve ex officio as the board of metropolitan park commissioners.<sup>51</sup> Within six months of the election, the size and membership of the board shall then be determined through interlocal agreement of each city and county.

**One proposal to support parks and recreation in Wenatchee discussed recently is to create a metropolitan parks district.** The district boundaries might be drawn to follow the city boundaries or those of the Wenatchee School District (a slightly larger jurisdiction). Estimates for revenue capacity and per household cost for levies and bonds in a district coterminous with the city boundaries may be found on pages 10 and 12 of this report. Levy estimates for a district that follows the school district boundaries are displayed in the table below.

Estimated Revenue & Costs of Property Tax Increase Proposed Metropolitan Park District*				
Tax Rate Increase		Assessed Valuation	Annual Revenue	Cost / Avg. House
0.10	\$	3,698,014,215	\$369,801	\$20
0.15	\$	3,698,014,215	\$554,702	\$30
0.20	\$	3,698,014,215	\$739,603	\$40
0.25	\$	3,698,014,215	\$924,504	\$50
0.35	\$	3,698,014,215	\$1,294,305	\$70
0.50	\$	3,698,014,215	\$1,849,007	\$100
*Boundaries coincide with Wentachee School District				
Sources: Total assessed value, Chelan County Assessor 2011; median home price \$199,000, Wenatchee World, Apr. 20, 2011.				

## Public Utility District

The Chelan County Public Utility District (PUD) operates a utility system that includes water, sewer and wholesale fiber-optic services in addition to generating and delivering electricity to more than 47,000 retail customers in the county and utilities that serve customers across the Pacific Northwest.

In addition, the PUD developed 14 parks under recreation plans required by the federal government as part of its licenses to operate the Rocky Reach, Rock Island and Lake Chelan hydro projects. The parks total 801 acres and range from the 6-acre Manson Bay Park to the 197-acre Wenatchee Confluence State Park. Between 1978 and 1995, the District spent \$67 million developing these recreational sites which are located along its hydro project reservoirs, as depicted below. Seven of the parks are operated by the District and the other parks operate via lease

<sup>51</sup> §35.61.050(4).

agreements with the Washington State Parks and Recreation Commission, Manson Parks and Recreation District, the city of Entiat, and the Port of Douglas County.

In cooperation with state wildlife agencies, the Chelan PUD maintains a wide variety of programs designed to meet specific license requirements for monitoring wildlife and related habitats to effectively address wildlife issues that may arise. The PUD currently owns and manages the 960-acre Homewater Reserve in the Wenatchee Foothills for the sole purpose of protecting mule deer winter range habitat. The PUD works cooperatively with Washington Department of Fish and Wildlife to manage the reserve and partners frequently with the Chelan-Douglas Land Trust on managing recreational use of the area. Currently recreational use of trails on the property is restricted in the winter months. **The Chelan PUD could potentially purchase and manage other open space property within the county.** Annual operating revenues of the PUD are roughly \$212 million.

## Irrigation Districts

There are several irrigation districts within Chelan County. In addition to the primary purposes for which irrigation districts are authorized (i.e. construction or purchase of works for the irrigation of lands), they **may participate in and expend revenue on cooperative watershed management actions**, including watershed management partnerships and other intergovernmental agreements, for purposes of water supply, water quality, and water resource and habitat protection and management.<sup>52</sup>

A watershed management partnership may create a "separate legal entity" to conduct the cooperative undertaking of the partnership. Such a separate legal entity may contract indebtedness and may issue general obligation bonds.<sup>53</sup>

## Port District

The Port of Chelan County was created in 1958 to make strategic investments in land, buildings, and infrastructure and to develop effective partnerships to improve the local economy of Chelan County. The Port owns and operates properties for business and industrial development, including the Pangborn Memorial Airport, the Olds Station Industrial Park, and a number of docks on the upper shores of Lake Chelan.

To supplement revenue generated by Port operations, state statutes authorize port districts to levy taxes on the valuation of the taxable property including a regular levy up to 0.45 per \$1,000 of assessed valuation of the port district for general port purposes and an additional 0.45 per \$1,000 of assessed valuation in taxes for dredging, canal construction or land leveling or filling. The Port has never sought to impose this additional tax levy, and does not envision doing so unless community needs alter to the extent that it should be considered. The current levy generates roughly \$2.2 million (about 55 percent of total annual revenues).

**The Port may purchase and manage lands to improve waterways and promote tourism, but it may not build parks unrelated to water.**

---

<sup>52</sup> §87.03.019.

<sup>53</sup> §39.34.210.



## Conservation Districts

The Cascadia Conservation District is a non-regulatory entity established to promote voluntary conservation of natural resources on private lands. The district includes all of Chelan County except for the incorporated cities of Wenatchee and Chelan. Its mission is to encourage wise stewardship and conservation of all natural resources for current and future residents of Chelan County.

Conservation Districts may levy special assessments to finance their activities.<sup>54</sup> Activities and programs to conserve natural resources, including soil and water, are declared to be of special benefit to lands and may be used as the basis upon which special assessments are imposed. Assessments are imposed by the county legislative authority of the county in which the conservation district is located for a period or periods each not to exceed ten years in duration. The supervisors of a conservation district must hold a public hearing on a proposed system of assessments prior to the first day of August in the year prior to which it is proposed that the initial special assessments be collected.

The system of assessments must classify lands in the conservation district into suitable classifications according to benefits conferred or to be conferred by the activities of the conservation district, determine an annual per acre rate of assessment for each classification of land, and indicate the total amount of special assessments proposed to be obtained from each classification of lands. Lands deemed not to receive benefit from the activities of the conservation district shall be placed into a separate classification and shall not be subject to the special assessments.

An annual assessment rate shall be stated as either uniform annual per acre amount, or an annual flat rate per parcel plus a uniform annual rate per acre amount, for each classification of land. The maximum annual per acre special assessment rate shall not exceed ten cents per acre. The maximum annual per parcel rate shall not exceed five dollars, except that for counties with a population of over one million five hundred thousand persons, the maximum annual per parcel rate shall not exceed ten dollars.

Public land, including lands owned or held by the state, are subject to special assessments to the same extent as privately owned lands. Landowners may file a petition with the county legislative authority objecting to the imposition of such special assessments. The petition must be signed by at least 20 percent of the owners of land that would be subject to the special assessments.

**The advantage for considering the conservation district as a vehicle for land conservation in Wenatchee is the ability of the district to utilize a non-ad valorem revenue option. However, land acquisition is not a common focus for such districts and it is unclear if the allowable assessment rates will generate significant funds.** Additional research could be conducted to determine the amount of revenue and impact to the average landowner.

---

<sup>54</sup> Conservation districts are authorized generally to purchase and maintain property or interests in property. §89.08.220.

## ELECTION ANALYSIS

The City of Wenatchee holds a general election on the first Tuesday following the first Monday in November in odd-numbered years (statewide general elections are held each year).<sup>55</sup> Upon request in the form of a resolution from the city, the county auditor may call a special city election. Special elections must be held on the following dates, as decided by City Council.

- Second Tuesday in February,
- Fourth Tuesday in April,
- Third Tuesday in May for tax levies that failed previously in that calendar year and new bond issues,
- Day of the primary election as specified by RCW 29A.04.311, or
- First Tuesday after the first Monday in November.

The dates for 2011 (general) and 2012 elections are listed in the chart below, including the deadlines for approving resolutions and the date that ballots are available for “early voting.”<sup>56</sup>

2011 Election Dates		
Election	Deadlines for Resolutions	Ballots Available
November 8	August 16	October 19
2012 Election Dates		
February 14	December 31	January 27
April 17	March 27	March 30
August 7	June 6	July 20
November 6	August 7	October 19

**The city of Wenatchee has adopted the power of initiative and referendum for the qualified electors of the city.**<sup>57</sup> The number of registered voters needed to sign a petition for initiative or referendum shall be fifteen percent of the total number of names of persons listed as registered voters within the city on the day of the last preceding city general election (2,275).<sup>58</sup>

---

<sup>55</sup> §29A.04.321. Statewide general elections are held each year. However, approval or rejection of state measures, including proposed constitutional amendments, matters pertaining to any proposed constitutional convention, initiative measures and referendum measures proposed by the electorate, referendum bills, and any other matter provided by the legislature for submission to the electorate, are limited to odd-numbered election years.

<sup>56</sup> Chelan County Auditor

<sup>57</sup> As provided pursuant to RCW 35A.11.080 through 35A.11.100. Also see RWC 35.17.260.

<sup>58</sup> Wenatchee City Code 1.03.010.

## Voter Registration and Turnout

As of June 2011, Wenatchee has 15,533 registered voters. If the city wants to consider pursuing a ballot measure to establish funding for land conservation, it is important to examine the potential turnout. Any bond measure requires turnout equal to 40 percent of the votes cast at the last general election (4,284 for 2011).

Wenatchee Voter Turnout			
Date	Regist. Voters	Ballots Cast	% Turnout
Nov-10	15,169	10,710	71%
Nov-09	15,190	7,846	52%

## Election Results

A review of the Chelan County election canvas record between 2007 and 2010 indicates that there have been only a few major finance propositions before city voters. Wenatchee voters have rejected bond measures for fire facilities and school construction and renovation in recent years, but approved a school district maintenance and operations levy in 2009. Results are summarized in the chart below.

Public Spending Election Results (selected examples since 2007)				
Date	Measure	Description	Results	%Yes
Nov-09	Bond	Wenatchee Fire Facilities Bond	Fail	58%
Aug-09	Levy	Chelan County 911 Sales Tax	Pass	65%
Mar-09	Levy	Wenatchee School M&O Levy	Pass	64%
Nov-08	Bond	Wenatchee Fire Facilities Bond	Fail	58%
Aug-07	Bond	Wenatchee School Facilities Bond	Fail	56%
May-07	Bond	Wenatchee School Facilities Bond	Fail	59%

In June 2010, the school district's facilities committee recommended that the school board consider a \$72 million bond measure. At that time the new bond was estimated to raise the bond tax rate to \$1.57 per thousand of assessed valuation, costing the average \$250,000 home about \$18 a month in additional property taxes.<sup>59</sup>

<sup>59</sup> Wenatchee taxes another swing at a school bond, *Wenatchee World*, June 29, 2010.  
<http://www.wenatcheeworld.com/news/2010/jun/29/wenatchee-takes-another-swing-at-a-school-bond/>

## APPENDIX A

### Selected Examples of Local Referenda for Parks and Open Space

**KIRKLAND: Election date: November 5, 2002** (PASS: 65% Yes/ 35% No)  
GENERAL OBLIGATION PARK SAFETY, OPEN SPACE, WILDLIFE PROTECTION  
AND SCHOOL PARTNERSHIP BONDS

The City Council of the City of Kirkland adopted Ordinance #\_\_\_\_\_ concerning a proposition for parks, open space and recreation bonds. This proposition authorizes the City of Kirkland to undertake open space, natural areas, wetlands and wildlife habitat protection and preservation, construct playgrounds, playfields and parks in the partnership with Lake Washington School District and renovate and make other safety improvements to Juanita Beach Park, to issue \$8,400,000 of general obligation bonds maturing within a maximum of 20 years, and levy additional property taxes annually to repay the bonds, as provided in Ordinance #\_\_\_\_\_. Should this proposition be: Approved? Rejected?

**REDMOND: November 1989** (PASSED: 64% Yes/ 36% No)

PARKS, RECREATION AND OPEN SPACE ACQUISITION AND RENOVATION  
BONDS

Shall the City of Redmond, to acquire land for parks, recreation and open space purposes and to renovate existing park facilities, incur indebtedness and issue not more than \$4,870,000 of unlimited tax general obligation bonds with a maximum term of 20 years, on which principal and interest shall be payable from annual property tax levies upon all taxable property within the City in excess of regular property tax levies, as provided in Resolution No. 802? Shall the City of Redmond, to acquire land for parks, recreation and open space purposes and to renovate existing park facilities, incur indebtedness and issue not more than \$4,870,000 of unlimited tax general obligation bonds with a maximum term of 20 years, on which principal and interest shall be payable from annual property tax levies upon all taxable property within the City in excess of regular property tax levies, as provided in Resolution No. 802?

**November 2010**

Northwest Park and Recreation District 2

Whatcom County, Washington

Proposition No. 1

Parks and Recreation Regular Property Tax Levy

The Board of Commissioners of Northwest Park and Recreation District No. 2 adopted Resolution No. 2010-2 concerning a proposition to assess a regular property tax levy for a four year period of \$0.10 per \$1,000.00 of assessed valuation, to be collected each year, to preserve natural areas, water quality, wildlife habitat, and to support parks, bike trails and recreational programs in Blaine and Birch Bay.

**September 2004**

City of Olympia

The Olympia City Council adopted Ordinance No. 6314 to increase the tax on telephone, electrical, and natural gas business, for the purpose of helping fund wildlife habitat, natural areas, open space, parks, and trails and recreation-related sidewalks. This ballot measure would allow the City of Olympia to protect and preserve wildlife habitat, natural areas, and open space; acquire, develop and maintain waterfront, neighborhood, community and special use parks and playgrounds; and construct and improve hiking, biking, and walking trails and recreation-related sidewalks by increasing the tax on telephone, electrical, and natural gas business by three percent, all subject to review and recommendation by City Council-appointed citizen advisory committees. Should this measure be: Approved Rejected

**February 2007**

**CITY OF PORT TOWNSEND, WASHINGTON**

**Proposition 1**

**SHALL THE CITY OF PORT TOWNSEND INCREASE THE TAX ON  
ELECTRIC AND TELEPHONE BUSINESS FROM 6% TO 10% WITH  
REVENUES ALLOCATED FOR PUBLIC SAFETY, PARKS, CITY  
FACILITIES, STREETS AND LIBRARY**

The City Council of the City of Port Townsend, Washington adopted Resolution O6-035 concerning increasing the tax on electrical energy and telephone business. If approved, this proposition would authorize the City to increase the tax on electrical energy and telephone business from six percent currently authorized to ten percent with additional revenues allocated for public safety, parks, city facilities, streets and library. Should this proposition be approved?

\_\_\_\_\_ Yes  
\_\_\_\_\_ No

**Contact:**

Joshua Alpert  
Northwest Conservation Services Director  
806 SW Broadway, Suite 300  
Portland, OR 97210  
(971)244-4110  
[josh.alpert@tpl.org](mailto:josh.alpert@tpl.org)

Wendy Muzzy  
Conservation Finance Program  
The Trust for Public Land  
1011 Western Ave, #605  
Seattle, WA 98104  
(206) 274-2926  
[wendy.muzzy@tpl.org](mailto:wendy.muzzy@tpl.org)  
<http://www.tpl.org>



